

A head above the rest

Strategy, initiation, tendering, award and implementation...

Giraffe Contract Limited (GCL) specialises in commercial and operations management expertise to complement and enhance an organisation's existing skills, particularly in the strategy, initiation, tendering, award and implementation of significant procurement requirements or contracts.

Bill Hollett, as owner of GCL, has a wealth of experience at senior manager/director level appointments in a variety of companies specialising in the business arenas of contracts, commercial, administration and operations often leading as a driver in change management to improve an organisation's performance and customer satisfaction.

He has worked in both the public and private sector independently since the formation of the company (six years), providing procurement solutions to numerous clients. These include the letting of large multi-year and multi-million pound contracts for products and services.

Bill has a pragmatic and realistic approach to the creation of contractual relationships and delivery of customers' expectations that weighs up and balances risk, including the risk of implementing change.

Effective procurement and GCL

It is easy to be comforted by the structure associated with the need to follow EU procurement rules, processes and procedures. However, this should be countenanced with the time taken to fully define your business requirements as an absolute prerequisite.

The secret is to intelligently and effectively determine and capture your organisations business requirement clearly and definitively in the form of a business requirements specification. This should incorporate all aspects

essential to the achievement of a successful outcome. Investing in time upfront in the creation of the business requirements with structured detail and the performance metrics to be used to measure its successful delivery will reap rewards later in the procurement process; with the addition of being seen as an intelligent buyer by bidders leaving less room for scope creep.

This may necessitate the hiring of additional specialist technology consultants to aid in the process of detailing the technical contents of the business requirements and in the assessment of tenders received. For 'one-off' high value, specialist or high impact procurements this investment is well worth making.

The financial, commercial and contractual requirements must also form an integral part of the overall business requirements.

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Assessment criteria must follow for judging the successful compliance or otherwise of the bidders' tender. Such criteria should cover all aspects of performance expected from bidders. This is not just technical compliance. Aspects including bidders' organisational capability to deliver must be evaluated.

To ensure the procurement authority can achieve the most economically advantageous tender, it is highly desirable if not essential that a competition is run between a minimum of two equally capable bidders through to a Best and Final Offer (BAFO). This will necessitate in-depth negotiation and drafting of contracts with both bidders

largely in parallel to the point that either contract is capable of signature and delivering fully the business requirements before entering a short BAFO period. Such a period should only be seen as refining the cost of the solution offered by the bidders rather than any radical departure from the details negotiated up to this point.

GCL can establish the process, success and selection criteria, provide the negotiation and team leadership skills, all to an agreed timeframe and budget.

A case study – South of Scotland Pathfinder

GCL, working with ICT consultancy Analysys Masons, took the lead in supporting two local authorities in the South of Scotland Pathfinder project.

This project was formed out of the partnership between the Scottish Borders Council and Dumfries and Galloway Council (the Partners) and primarily funded by the Scottish Executive to install next generation broadband network services to 410 sites across the South of Scotland, and in particular the schools and libraries managed by them.

The broadband network services needed to support a wide range of existing and new applications ranging from basic email to multimedia delivery, including high quality video and voice. The resultant broadband network needed, therefore, to support the deployment of applications that had previously been impracticable because of bandwidth, feature and affordability limitations of the existing communications infrastructure in the pathfinder area.

The specific role of GCL was that of lead negotiator working alongside the project director and a project manager (both council officials) and directly accountable to the chief executives of

both councils. Analysys Mason, for their part, took the role of technical advisor from the inception of the project through to its initiation post-contract.

Consistent with best practice for such procurements, a structured process from project start-up, pre-qualification evaluation and negotiation preparation, OJEU advert and shortlisted bidders, PQQ evaluation, invitation to negotiate, tender evaluation and clarification, negotiation (including negotiation strategy and plan) and BAFO was established with the latter stages being completed within a highly challenging timeframe.

As lead negotiator responsibility extended to co-ordinating and directing a large cross-disciplinary team of representatives from both councils, including finance, legal, business user and IM specialists in addition to the assigned external technical, financial and legal advisors. Such co-ordination was essential to establish common goals for the negotiation strategy and success criteria, and to ensure delivery against the daily negotiation plan.

Weekly parallel negotiations with two bidders required substantial daily discipline with progress necessary at each meeting to ensure the critical success factors could be achieved. The partners as well as the suppliers faced some challenges when decisions were necessary.

The negotiations were pre-empted by 'scene setting' to give the bidders 'thinking time' ahead of formal negotiations and for them to prepare initial responses that could be presented and worked through in the essential early phases of the negotiations. This included a high level overview of the expected outcomes of the negotiations with the bidders regarding key principles and the satisfactory documentation of the same for incorporation into the contract. This extended to:

- Pricing:
 - A high level of granularity and transparency expected in the contract pricing;

- Pricing was to be 'risk-based' taking into account bidders' identified risks associated with the project, without the transfer of these risks to the partners;
- The provision of a 'Price Book' for future moves, changes and additions so as not be held hostage to excessive price changes post-contract award;
- The understanding that the partners were buying a service in compliance with defined service levels associated with the proposed technology solution rather than technology itself and all costs associated with such service for the term of the contract to be included (inter alia, requirements for technology/equipment refresh, spares provision, etc.).

- Technical/service detail (specific to supplier):
 - Clear understanding of the effect of any proposed technology solution on the service provision. This necessitated access to partner resources to share and workshop alternative solutions;
 - The partner's expectations on the nature and requirements of the service desk and its interface with a myriad of the partner's users of the services;
 - Absolute clarity in the service quality on offer including the service management methodology, key performance indicators and service credits.

The bidders were under no illusion from the beginning and throughout the negotiations a competition was to be run ending in the submission of a BAFO. This necessitated continual focus on delivering progress during every meeting with the expectation clearly established that prior to the BAFO stage a full disclosure of the bidders' position in terms of technical solution, contract content including all schedules and pricing was necessary. In effect, a form of contract was to be



Bill Hollett, Owner/Director of Giraffe Contract Limited

capable of signature prior to the inception of the two week BAFO stage.

The BAFO was to be exactly that – a chance to fine tune or improve any offer on pricing or the risk share in the solution and not another chance to negotiate.

The result

A two year implementation with a further five year service provision with priced enhancement options, to a defined level of service fully acceptable and without compromises for the partners, with connection to all partner sites within budget and to the agreed timeline.

A true and acknowledged success.



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